

**State Board of Education
January 15, 2008
Item J**

**DEPARTMENT OF EDUCATION
Montpelier, Vermont**

TEAM: Finance

ITEM: FY 2009 Department of Education Budget

<p>RECOMMENDED ACTION: The State Board Education Adopt the FY 2009 Department of Education Budget proposal as submitted</p>
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STATUTORY AUTHORITY: 16 VSA § 164(4): Biennially or as required by the governor cause to be prepared a budget for all money to be expended by the department of education.

BACKGROUND INFORMATION: This is the annual department of education budget submission.

COST IMPLICATIONS: The FY 2009 department budget is displayed in the enclosed sheets, excerpted from our budget book and shows a total increase of \$54.2 million. This increase is due to the education fund which finances Vermont's public education system.

Our general fund budget is \$123,143 less than in FY 2008. State government is undergoing staff reductions and the department was allocated a reduction of six positions. This caused our general fund target to be reduced by \$167,000 as the presumed general fund portion of those staff reductions. Because of increases for charges to the department for the state's internal service funds (accounting, rent, etc.) for which we were funded, the total general fund reduction is \$123,143.

Federal programs have generally been level funded until final amounts are provided to us once Congress appropriates funds.

The two main drivers for the education fund increase come from our estimate that the education spending portion of school budgets will grow 4.6% in FY 09 and that special education aid will grow under the state formula by 6.7%.

STAFF AVAILABLE: Richard Cate, Commissioner and Bill Talbott, CFO

DEPARTMENT SUMMARY

Appropriation Categories By Funding Source	FISCAL 2008 APPROP ACT	FISCAL YEAR 2009	
		STATE BOARD RECOMMEND	FY2009 TO FY2008
DEPARTMENT GRAND TOTAL			
CATEGORY OF EXPENDITURE			
PERSONAL SERVICES	18,686,126	19,031,155	345,029
OPERATING EXPENSES	3,773,553	3,743,171	(30,382)
GRANTS	<u>1,379,705,286</u>	<u>1,437,331,328</u>	<u>57,626,042</u>
TOTAL ALL CATEGORIES	1,402,164,965	1,460,105,654	57,940,689

SOURCE OF FUNDS DETAIL

GENERAL FUND			
PERSONAL SERVICES	6,540,934	6,446,879	(94,055)
OPERATING EXPENSES	1,214,675	1,242,364	27,689
GRANTS			
1 Finance and Administration			0
2 Education Services	3,413,661	3,384,058	(29,603)
3 Adult Education & Literacy	<u>2,717,398</u>	<u>2,690,224</u>	<u>(27,174)</u>
GRANT TOTAL	6,131,059	6,074,282	(56,777)
TOTAL GENERAL FUND	13,886,668	13,763,525	(123,143)
EDUCATION FUND			
OPERATING EXPENSES			
GRANTS			
4 Small School Support Grants	6,093,552	6,562,385	468,833
5 Special Education Formula	133,564,159	142,457,975	8,893,816
6 Essential Early Education	5,199,124	5,517,841	318,717
7 State-placed Students	14,750,000	15,767,500	1,017,500
8 Capital Debt Service Aid	280,000	218,540	(61,460)
9 Transportation	14,453,479	15,002,711	549,232
10 Education Grant	1,063,700,000	1,107,064,375	43,364,375
11 Adult Education & Literacy	1,000,000	1,750,000	750,000
12 Technical Education	<u>11,633,000</u>	<u>12,411,841</u>	<u>778,841</u>
GRANT TOTAL	1,250,673,314	1,306,753,168	56,079,854
TOTAL EDUCATION FUND	1,250,673,314	1,306,753,168	56,079,854

DEPARTMENT SUMMARY

SOURCE OF FUNDS DETAIL CONTINUED

Appropriation Categories By Funding Source	FISCAL 2008 APPROP ACT	FISCAL YEAR 2009	
		STATE BOARD RECOMMEND	FY2009 TO FY2008
TRANSPORTATION FUND			
PERSONAL SERVICES			
OPERATING EXPENSES			
GRANTS			
13 Driver Education Program Grants	<u>127,483</u>	<u>127,483</u>	<u>0</u>
TOTAL TRANSPORTATION FUND	127,483	127,483	0
TOBACCO LITIGATION FUND			
PERSONAL SERVICES	145,112	142,152	(2,960)
OPERATING EXPENSES	18,119	18,114	(5)
GRANTS			
14 Tobacco Litigation Grants	<u>832,437</u>	<u>835,402</u>	<u>2,965</u>
TOTAL TOBACCO LITIGATION FUND	995,668	995,668	0
FEDERAL, SPECIAL & INTERDEPARTMENTAL FUNDS			
PERSONAL SERVICES	12,000,080	12,442,124	442,044
OPERATING EXPENSES	2,540,759	2,482,693	(58,066)
GRANTS			
15 Finance & Administration	14,505,600	14,505,600	0
16 Education Services	106,238,732	107,838,732	1,600,000
17 Act 117 Cost Containment	91,000	91,000	0
18 Adult Education & Literacy	875,661	875,661	<u>0</u>
5 Special Education Formula	<u>230,000</u>	<u>230,000</u>	<u>0</u>
TOTAL GRANTS	121,940,993	123,540,993	1,600,000
TOTAL FED, SPEC, INTERDEPT. FUND	136,481,832	138,465,810	1,983,978
TOTAL ALL CATEGORIES	1,402,164,965	1,460,105,654	57,940,689